

AR21



SINGER 1966 Annual Report

Annual Report for 1966

The Singer Company

30 ROCKEFELLER PLAZA, NEW YORK, N.Y. 10020

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Directors and Officers

BOARD OF DIRECTORS

Charles F. Bruder
Stephen C. Clark, Jr.
Gilbert W. Fitzhugh
Walter S. Johnson
Donald P. Kircher
Henry R. Labouisse
Milton C. Lightner
Arthur E. Pettit
Donald G. Robbins, Jr.
Philip R. Samwell
James A. Trainor

OFFICERS

Donald P. Kircher, PRESIDENT
Ralph P. Benn, VICE PRESIDENT
William J. Brown, Jr., VICE PRESIDENT
Charles F. Bruder, VICE PRESIDENT
Herbert Burchill, VICE PRESIDENT
Edmond W. Cattin, VICE PRESIDENT
Alfred di Scipio, GROUP VICE PRESIDENT
George A. Downs brough, VICE PRESIDENT
Alan W. Drew, VICE PRESIDENT
Lyman R. Fink, VICE PRESIDENT
David A. Graesser, VICE PRESIDENT
Edwin J. Graf, VICE PRESIDENT
John G. Grubb, VICE PRESIDENT
Huntington W. Harrison, VICE PRESIDENT
Newton H. Hoyt, Jr., VICE PRESIDENT AND TREASURER
Henry W. Manville, VICE PRESIDENT
Donald D. Marsden, VICE PRESIDENT
Robert E. Pequignot, VICE PRESIDENT
William A. Prior, VICE PRESIDENT
Andrew J. Reinhart, VICE PRESIDENT AND CONTROLLER
Donald G. Robbins, Jr., VICE PRESIDENT
Elliott E. Vose, GROUP VICE PRESIDENT
Louis L. Pettit, SECRETARY

AR21

Background Information

Business

The Singer Company is engaged in the manufacture and sale of household and industrial sewing machines and office equipment. It also produces and sells laboratory test instruments, textile machinery, floor care equipment, electric power tools, special purpose electric motors, space heaters, mailroom equipment, graphic arts equipment, furniture, household appliances, home entertainment equipment, air conditioners, fabrics, sewing accessories and specialized production equipment for the apparel industry.

The Company operates 68 manufacturing or research facilities in 29 countries. Singer products are sold in 182 countries through retail stores, manufacturers' representatives, sales offices in principal cities and independent sales agents. The Company directly employs nearly 108,000 people in its manufacturing, marketing and administrative operations.

Sales for 1966 by major geographical areas are shown in the following table with amounts in millions of dollars in the first column and percentage of dollar sales volume in the second column.

United States	\$ 510.7	48.7%
Europe	248.4	23.7
Latin America	124.4	11.8
Far East	82.9	7.9
Africa and Near East ..	50.1	4.8
Canada	32.7	3.1
	<u>\$1,049.2</u>	<u>100.0%</u>

Dividends have been paid without interruption since 1863 and on a quarterly basis since 1890. The current quarterly rate is 55 cents per share.

Organization

The Singer Company has eleven operating Divisions. Five of these report to Group Vice Presidents: The International Group consists of Latin America, Far East and, Africa and Near East Divisions. North American Group consists of the United States and Canada.

1. Consumer Products Division is responsible for the manufacture, distribution and retail sale of sewing machines and other household and home entertainment products in the United States.

2. Industrial Products Division develops, manufactures and distributes industrial sewing equipment and allied products throughout the world.

3. Friden Division develops, manufactures and distributes adding machines, calculators, data processing, mailroom, graphic arts and other equipment.

4. Special Products Division directs manufacturing and marketing operations in the textile machinery and consumer electrical products fields. It is comprised of the following units:

a. Cobble Division which produces tufting and textile finishing equipment for the carpet and pile fabric industries and shrink film packaging machinery.

b. Knitting Machinery Division which manufactures circular and flat-bed knitting equipment for the apparel industry and knitting machinery used principally in the manufacture of hosiery.

c. Power Tool Division which produces portable electric power tools for Sears, Roebuck & Co.

5. Technical Products Division directs manufacturing and marketing operations in the electronic and instrumentation fields. This Division is made up of the following units:

a. Metrics Division which produces electrical and electronic laboratory test and measuring equipment.

b. Diehl Division which produces and sells electrical industrial driving equipment and associated control components.

c. HRB-Singer, Inc., which is primarily a government defense contractor supplying systems management and systems equipment in the fields of intelligence and reconnaissance.

6. Climate Control Division produces and distributes electric space heating equipment, air-conditioning systems and freeze protection devices.

7. European Division.

8. Latin American Division.

9. Far East Division.

10. Africa and Near East Division.

11. Canadian Division.

All foreign Divisions are responsible for marketing and manufacturing operations within their respective territories in respect to consumer products.

History

The Singer organization was founded in 1851 in Boston, Mass., as I. M. Singer & Co. by Isaac Merritt Singer, inventor of the first practical sewing machine. It shortly moved to New York, where, in return for his legal services, Edward Clark became a partner with Singer. Thereafter, Singer devoted his attention to manufacturing and development while Clark took charge of marketing and finance. In 1856, Clark originated the hire-purchase plan, prototype for all instalment selling, and the Company shortly assumed a position of leadership in its industry which it has never since relinquished.

By 1863, when the Company was incorporated in New York as The Singer Manufacturing Company, it was selling 20,000 machines a year, most of them outside the United States. First manufacturing abroad began in 1867 at Glasgow, Scotland. Six years later The Singer Manufacturing Company, which was incorporated in New Jersey under a special charter, succeeded to the business of the New York corporation, and a large sewing machine factory was built at Elizabeth, New Jersey.

Growth of the business was rapid both in the United States and abroad. Branch offices were opened in principal cities throughout the world and additional factories were established in Scotland, Germany, Russia, Canada and the United States. In 1913 three million Singer sewing machines were sold, an all-time record.

World War I temporarily disrupted the Company's operations in Europe and led to the confiscation of all Singer property in Russia, representing an investment of \$115 million. In the years that followed, the organization was gradually rebuilt. New factories were established in Italy and France and the business expanded.

During World War II, Singer factories were converted to the production of intricate fire control devices, airplane parts and scores of other military items.

After the cessation of hostilities, the Japanese began to concentrate on the manufacture of sewing machines. Within ten years they were flooding the world market with their low-priced machines. By concentrating on the redesign of its entire product line, improving its production and marketing facilities and techniques, and increasing its outlays for research and development, Singer succeeded in stemming the Japanese tide, and in the late Fifties increased its share of the United States market.

In 1956 Singer embarked upon its "external" diversification program and since then, over an eleven-year period, it acquired a research and development company, six textile machinery companies, six producers of laboratory test instruments, a manufacturer of specialized electric motors, a home entertainment equipment manufacturer, six makers of heating and air conditioning equipment, a manufacturer of home laundry and refrigerator products, Friden, Inc., a major manufacturer and distributor of office equipment and a majority interest in a German mail order house. A program of further diversification through acquisition is being actively pursued.

Internally, diversification has taken place through expansion of product lines to include major household appliances, home entertainment equipment, floor care equipment, typewriters, fabrics, furniture and production equipment for the apparel industry. Further investigation and evaluation of additional product lines is continuing.

Principal Officers

DONALD P. KIRCHER, President

RALPH P. BENN, Vice President (Europe)

WILLIAM J. BROWN, Jr., Vice President (Personnel)

CHARLES F. BRUDER, Vice President (Development)

HERBERT BURCHILL, Vice President
(Product Policy)

EDMOND W. CATTAN, Vice President (Tax Counsel)

ALFRED DI SCIPIO, Group Vice President
(North American Group)

GEORGE A. DOWNSBROUGH, Vice President
(Technical Products)

ALAN W. DREW, Vice President (Business Machines)

LYMAN R. FINK, Vice President
(Chief Technical Officer)

DAVID A. GRAESSER, Vice President (Research)

EDWIN J. GRAF, Vice President (Special Products)

JOHN G. GRUBB, Vice President (Manufacturing)

HUNTINGTON W. HARRISON, Vice President
(Africa and Near East)

NEWTON H. HOYT, Jr., Vice President
and Treasurer

HENRY W. MANVILLE, Vice President
(Latin America)

DONALD D. MARSDEN, Vice President (Far East)

ROBERT E. PEQUIGNOT, Vice President
(Climate Control)

WILLIAM A. PRIOR, Vice President (Diversification)

ANDREW J. REINHART, Vice President
and Controller

DONALD G. ROBBINS, JR., Vice President
(Industrial Products)

ELLIOTT E. VOSE, Group Vice President
(International Group)

LOUIS L. PETTIT, Secretary

Directors

George W. Ball Mr. Ball, 57, was elected to the Board in 1967. He was Under Secretary of State for Economic Affairs in 1961 and Under Secretary of State of the United States from 1961 to 1966. He is Chairman of Lehman Brothers International, Limited, and a Director of Standard Oil Company of California.

Charles F. Bruder Mr. Bruder, 60, is Vice President for Development. He was Vice President in Charge of the Consumer Products Division from 1953 until 1963, and was previously Vice President of Diehl Manufacturing Co. He was elected to the Board in 1955. He is also a Director of The Thomas and Betts Company.

Stephen C. Clark, Jr. Mr. Clark, 55, is Vice President of The Clark Estates, Inc., and a great-grandson of one of the Company's founders. He has been a member of the Board since 1962.

Gilbert W. Fitzhugh Mr. Fitzhugh, 57, is President of Metropolitan Life Insurance Company. He joined the Singer Board in 1966. He is a Director of The Chase Manhattan Bank, and a Trustee of Consolidated Edison Company of New York.

Donald P. Kircher Mr. Kircher, 52, President, joined The Singer Company in 1948 from the law firm of Winthrop, Stimson, Putnam & Roberts, the Company's General Counsel. He was elected an Assistant Vice President in 1949, a Vice President in 1952 and a Director in 1954. He became President and Chief Executive in 1958. He is also a Director of Bristol-Myers Company, Morgan Guaranty Trust Company, General Cable Corporation, Lehman Corporation and Metropolitan Life Insurance Company.

Henry R. Labouisse, 63, Executive Director of the United Nations Children's Fund (UNICEF), was elected to the Board in 1966. He is a former U.S. Ambassador to Greece and has had a long and distinguished career in the diplomatic service.

Arthur E. Pettit Mr. Pettit, 70, is a partner in the law firm of Winthrop, Stimson, Putnam & Roberts. He was elected to the Board in 1958.

Donald G. Robbins, Jr. Mr. Robbins, 51, is Vice President and head of the Industrial Products Division. He had previously been Vice President and Treasurer, and prior to that was in charge of the European Division. He was elected to the Board in 1954.

Philip R. Samwell Mr. Samwell, 65, is former President and Chief Executive Officer of Friden, Inc. He retired as its Chairman in 1966. He had been a Vice President of Friden for nine years and General Manager for five. He joined the Singer Board in 1963.

James A. Trainor Mr. Trainor, 66, is former Executive Vice President of Friden, Inc., and head of the Rochester Division of Friden. He retired from both positions in 1966. He was elected a Director of Singer in 1963.

Elliott E. Vose Mr. Vose, 43, is Group Vice President of the Company. He joined Singer from the law firm of Winthrop, Stimson, Putnam & Roberts in 1955 as Assistant to the President. He became an Assistant Vice President in 1960 and Vice President in charge of Latin America in 1961. He was elected to the Board in 1967.

Location and Principal Products

Manufacturing and Research Facilities

UNITED STATES

Anderson, S. C.

Floor care equipment and electric motors

Arcadia, Calif.

Silico-ceramic insulation material

Auburn, N. Y.

Space heating and air conditioning equipment

Bridgeport, Conn.

Instrumentation and control equipment

Cambridge, Mass.

High fidelity equipment

Chattanooga, Tenn.

Tufting and packaging machinery

Clifton, N. J.

Mechanized sewing and work handling systems

Dalton, Ga.

Textile finishing equipment

Denville, N. J.

Research

Elizabeth, N. J.

Household and industrial sewing machines

Finderne, N. J.

Electrical industrial driving equipment and associated control components

High Point, N. C.

Industrial knitting machines

Lakeville, Ind.

Wiring harnesses, tapes and cables

Lewistown, Pa.

Mailroom equipment

Los Angeles, Calif.

Electronic control equipment

Los Angeles, Calif.

Instruments for measuring electro-magnetic radiation

Meadsville, Pa.

Industrial heating devices

Monroe, N. C.

Industrial knitting machines

Mount Laurel, N. J.

Information systems

New Carlisle, Ind.

Freeze protection and snow melting equipment

Newfoundland, N. J.

Research

Ozone Park, N. Y.

Industrial knitting machines

Pickens, S. C.

Portable electric tools

Reedsville, Pa.

Playground equipment

Rochester, N. Y.

Business systems and graphic arts equipment

Rolling Prairie, Ind.

Electric wiring

San Leandro, Calif.

Calculators, adding machines, mailroom equipment and business systems equipment

Schiller Park, Ill.

Graphic arts equipment, coupon tickets and paper tape

State College, Pa.

Research and information systems

Trucksville, Pa.

Electric hydronic boilers

Trumann, Ark.

Sewing machine cabinets and furniture

EUROPE

Alencon, France

Sewing machine cabinets

Blackburn, England

Tufting, carpet finishing and polyurethane foaming machinery

Bonnieres, France

Household sewing machines and electric motors

Cologne, Germany

Flocking equipment

Clydebank, Scotland

Household and industrial sewing machines, cabinets, needles, electric ranges and motors

Creussen, Germany

Industrial knitting machines

Dulken, Germany

Thread

Karlsruhe, Germany

Household and industrial sewing machines, cabinets and television sets

Leini, Italy

Washing machines and refrigerators

Mechelen, Belgium

Adding machines and calculators

Monza, Italy

Household and industrial sewing machines

Nijmegen, Holland

Business systems equipment

Wurselen, Germany

Needles

FAR EAST

Chittagong, Pakistan

Household sewing machines

Colombo, Ceylon

Cabinets and household sewing machines

Karachi, Pakistan

Household sewing machines

Klong Toey, Thailand

Household sewing machines and television sets

Madurai, India

Needles

Matsumoto, Japan

Sewing machine cabinets and electric guitars

Penrith, Australia

Household sewing machines, electric motors, televisions and gasoline engines

Petaling Jaya, Malaysia

Household sewing machines

Taichung, Taiwan

Household sewing machines

Taytay, Philippines

Household sewing machines, cabinets, industrial and household furniture

Utsunomiya, Japan

Household and industrial sewing machines

LATIN AMERICA

Bogota, Columbia

Household sewing machines

Buenos Aires, Argentina

Household sewing machines

Campinas, Brazil

Household sewing machines, cabinets, needles
and electric motors

Lima, Peru

Household sewing machines

Queretaro, Mexico

Household sewing machines

CANADA

St. Johns, Quebec

Household sewing machines and electric motors

AFRICA AND NEAR EAST

Apapa, Nigeria

Household sewing machines and cabinets

Casablanca, Morocco

Household sewing machines and cabinets

Johannesburg, South Africa

Household sewing machines

Kinshasa, Republic of Congo

Cabinets

Maltepe, Turkey

Household sewing machines and cabinets

Nairobi, Kenya

Household sewing machines and cabinets

Distribution

The Singer Company operates about 6,000 retail outlets in rented premises or Company-owned buildings as follows:

United States	1,704
Europe	1,612
Far East and Australasia	1,542
Latin America	421
Canada	152
Africa and Near East	532
	<hr/>
	5,963

In addition, more than 31,000 independent agents, dealers and merchants are engaged in the sale and distribution of the Company's products.

Other Properties

The Company, and its consolidated subsidiaries, owns about 2,500 acres of cutover timberland in Louisiana, about 2,000 acres of land in Brazil adjacent to plant properties, and retains mineral rights on approximately 48,300 acres in Louisiana. It also retains mineral rights on about 36,300 acres in Arkansas, 1,480 acres in Missouri and 68,000 acres in South Carolina.

Financial Summary

The Singer Company and consolidated subsidiaries

Earnings (Amounts in Thousands)		1966
Net sales		\$1,049,227
Other revenue		10,285
		<hr/>
		1,059,512
		<hr/>
Costs and expenses:		
Costs and other operating charges		542,998
Selling and administrative expenses		418,398
Interest		19,206
Income taxes		31,630
		<hr/>
		1,012,232
		<hr/>
Net Income		47,280
Extraordinary items, net of tax (Note)		—
		<hr/>
Net income and extraordinary items		47,280
Financial Position (Amounts in Thousands)		
Working capital		381,731
Cash and marketable securities		60,989
Accounts receivable-net		342,462
Inventories		315,847
Property, plant and equipment-net		169,085
Long-term debt		120,937
Retained earnings		364,151
Shareholders' equity		435,050
Other Data		
Per share of capital stock:		
Net income		4.44
Extraordinary items		—
Dividends paid		2.20
Shareholders' equity		40.85
Current ratio		2.1
Number of shareholders		35,998

NOTE—Extraordinary gains on sale of properties, less applicable income tax of \$1,266,000 in 1964, \$471,000 in 1962, and \$289,000 in 1960. The 1959 extraordinary item is a tax free partial recovery of losses in Russia during the Communist Revolution.

For additional copies write to:

Director, Public Relations
The Singer Company
30 Rockefeller Plaza
New York, N.Y. 10020

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1965	1964	1963	1962	1961	1960	1959	1958
\$979,757 8,475	\$896,239 8,120	\$790,188 9,894	\$743,988 7,607	\$682,796 6,744	\$614,217 7,767	\$571,926 6,142	\$507,018 3,870
988,232	904,359	800,082	751,595	689,540	621,984	578,068	510,888
523,803	471,082	403,832	376,008	352,489	315,826	293,946	263,140
375,478	342,505	307,783	293,550	270,774	249,005	237,901	220,632
14,395	11,599	9,300	9,213	8,630	5,948	3,993	2,721
30,060	32,679	37,624	37,265	29,523	26,681	23,784	14,186
943,736	857,865	758,539	716,036	661,416	597,460	559,624	500,679
44,496 —	46,494 6,337	41,543 —	35,559 5,327	28,124 —	24,524 1,132	18,444 2,926	10,209 —
44,496	52,831	41,543	40,886	28,124	25,656	21,370	10,209
354,251	356,725	332,384	342,079	332,494	327,674	337,175	325,935
51,623	56,285	63,896	80,808	73,239	65,793	78,130	55,049
342,694	311,907	264,759	243,630	223,976	211,058	180,831	153,852
278,744	269,401	233,762	212,717	212,244	201,025	181,501	198,507
155,400	142,554	151,769	144,185	144,567	142,198	127,680	124,985
48,199	48,371	49,095	52,770	54,559	60,829	57,423	51,854
343,419	325,655	300,531	284,052	265,543	242,500	228,872	215,743
436,203	426,354	402,025	391,752	374,490	351,515	337,547	324,527
4.03	4.19	3.75	3.20	2.53	2.22	1.67	.93
—	.57	—	.48	—	.10	.27	—
2.20	2.00	1.70	1.55	1.30	1.30	1.10	1.10
39.50	38.42	36.29	35.26	33.64	31.77	30.63	29.56
2.1	2.3	2.4	2.8	2.9	3.2	4.3	5.0
32,323	27,971	22,252	11,406	12,030	11,889	10,918	9,589

Financial Highlights

	<u>1966</u>	<u>1965</u>
Net sales	\$1,049,227,000	\$979,757,000
Total revenue	1,059,512,000	988,232,000
Net income	47,280,000	44,496,000
<i>Per share</i>	4.44	4.03
Cash dividends	23,367,000	24,313,000
<i>Per share</i>	2.20	2.20
Shareholders' equity	435,050,000	436,203,000
<i>Per share</i>	40.85	39.50
Working capital	381,731,000	354,251,000
<i>Current ratio</i>	2.1	2.1
Property, plant and equipment—net	169,085,000	155,400,000
Number of shareholders at year end	35,998	32,323
Average shares outstanding	10,648,701	11,043,517



President's Letter

In 1966 we attained a significant medium-term goal in the long-range plan for the growth and expansion of the Company when sales exceeded one billion dollars for the first time. Consolidated sales were \$1,049 million, an increase of 7.1 per cent over 1965 sales of \$980 million.

Consolidated net income was \$47,280,000 or \$4.44 per share. This represented a per share increase of 10.2 per cent over the \$4.03 per share earned in 1965 and an increase of 6.3 per cent in consolidated net income over the 1965 amount of \$44,496,000. Net income, both in total and on a per share basis, was the highest in the Company's history. The percentage increase in net income per share was greater than in total net income because the average number of shares outstanding in 1966 was 394,816 less than in 1965 as a result of a corresponding increase in the average number of shares acquired and held in the treasury. At year end, the Company's holdings of treasury shares had increased to 695,824. These shares were acquired for possible use in acquisitions and to provide stock for issuance under the Company's stock option and purchase plans.

Sales of household and industrial sewing machine products increased during the year by 4.8 per cent, whereas sales of products other than sewing machines expanded at a rate of 9.8 per cent. This continued the trend of recent years and brought the level of sales of products other than sewing machines to nearly 47 per cent of the total. We have had it as an important intermediate-term objective to continue the expansion of sewing product sales while at the same time taking advantage of the faster growth rates inherent in other product lines to expand them to a level of about half of our total volume.

In terms of major product fields on a worldwide basis, the year was one of well-balanced growth. In each of the major fields—consumer products, industrial products, and business machine products—there were significant increases in volume.

In geographical terms, our sales increased in all major areas with the exception of the Far East. Volume increased importantly in the United States, particularly in sewing products and business machine products, and in over-all operations in Latin America where sales were substantially above the high level achieved in 1965. The increase in earnings was somewhat less well distributed geographically. Substantial increases were achieved in North America, Europe and Latin America. There was a small decline in Africa and a significant decline in the Far East.

There was only one acquisition of major significance during the year. This was the purchase for approximately \$14 million in cash of a majority interest in Friedrich

Schwab and Company, a leading German mail order catalog company. Schwab constitutes a substantial addition to our business in Germany and will serve as a base for our entry into catalog sales in other European countries. The first major move in this direction is already under way in France.

Other smaller acquisitions in 1966 and early in the current year included:

- EMC Instrumentation, Inc. of North Hollywood, California, a manufacturer of advanced radio frequency interference test instruments.
- Eloflock GmbH. of Cologne, Germany, a manufacturer of textile machinery employing the flocking process.
- Therm-o-Tek, Inc. of Trucksville, Pennsylvania, a manufacturer of electric hydronic boilers.
- Heatrex, Inc. of Meadville, Pennsylvania, a manufacturer of electric industrial heating devices.

The contemplated arrangement to acquire the assets of Packard-Bell Electronics Corporation of Los Angeles, which was discussed at the Annual Meeting last April, was not consummated and the matter is dormant.

In view of our increasing size and diversity, a significant change was made in the Company's organizational structure in January of this year. A Group level of management was established for certain similar operating Divisions. Initially two operating groups have been created—an International Group to supervise the Latin American, Far East, and Africa and Near East Divisions; and a North American Consumer Products Group to supervise the U.S. Consumer Products Division and the Canadian Division. Elliott E. Vose and Alfred di Scipio were appointed Group Vice Presidents respectively of the International Group and the North American Consumer Products Group. We expect to extend the Group structure to other segments of the Company.

In February of 1966, Alan W. Drew, a Vice President of the Company and formerly head of the Special Products Division, was appointed President of Friden in succession to Philip R. Samwell who became Chairman. At the end of the year Mr. Samwell and James A. Trainor, Executive Vice President of Friden, retired from active service but continued as Singer Directors.

In December, the position of Vice President and Chief Technical Officer of the Company was created with responsibility for general corporate direction of the Company's technical activities including research and development. Dr. Lyman R. Fink was appointed to this position.

In January of this year H. Neal Karr, a Vice President

since 1958 and a Director since 1962, retired after 28 years of distinguished service.

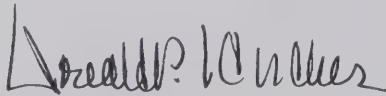
Milton C. Lightner and Walter S. Johnson will retire from the Board of Directors at the expiration of their term of office at the Annual Meeting on April 27. Mr. Lightner has been a Director since 1928 and was President of the Company from 1949 to 1958 and Chairman from 1958 to 1961. He guided the Company through some of its most difficult years during which the foundation was laid for many of the gains of the more recent past. Mr. Johnson has been a Director since 1963. He was one of the founders of Friden and served with distinction as President of that organization from 1945 until 1963 and thereafter as Chairman until he retired from active service in February of last year.

George W. Ball, Chairman of Lehman Brothers International, Limited and former Under Secretary of State, and Elliott E. Vose, Group Vice President of the Company, have been nominated for election to the Board of Directors at the Annual Meeting.

The By-laws of the Company have been amended to provide that Directors shall not be eligible for election subsequent to reaching the age of 72. In the case of Directors who are Officers, other than the Chief Executive, there is an additional limitation to the effect that they shall not be eligible for re-election at a date more than one year following their retirement from active service.

The Management looks forward to the year 1967 with confidence and expects further growth in the sales and earnings of the Company.

March 17, 1967

A handwritten signature in dark ink, appearing to read "Donald P. Walker". The signature is fluid and cursive, with the first name "Donald" being more prominent.

President

Summary of 1966 Operations

Sales of products and services in 1966 totaled \$1,049.2 million. Of this amount, sales of sewing machine products accounted for \$560.5 million or 53.5 per cent as compared with 1965 sales of \$534.8 million or 54.6 per cent of the total. Thus sales moved nearer to an equal division between sewing machines and other products which is regarded as a desirable intermediate-term objective. Sales of other products totaled \$488.7 million in 1966.

In addition to household sewing machines, other major product lines, in order of importance, are business equipment, industrial sewing equipment, major household appliances, home entertainment equipment, heating and air conditioning systems, textile machinery and instrumentation.

Sales and approximate earnings by markets served were as follows:

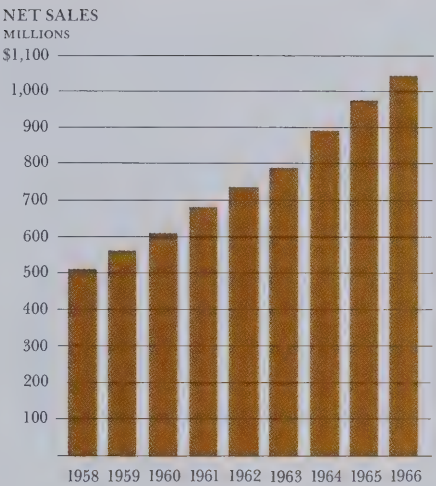
	1966			
	(Amounts in Millions)			
	SALES		EARNINGS	
	Amount	% of Total	Amount	% of Total
Products for the Home	\$ 672.5	64%	\$29.4	62%
Products for Industry	217.4	21	8.3	18
Products for Business	159.3	15	9.6	20
TOTAL ...	\$1,049.2	100%	\$47.3	100%

Sales increased 7.1 per cent over 1965 with improvement in all markets served:

	1966	1965	CHANGE
	(Amounts in Millions)		
Products for the Home	\$ 672.5	\$642.8	+ 4.6%
Products for Industry	217.4	198.7	+ 9.4
Products for Business	159.3	138.3	+15.2
TOTAL	\$1,049.2	\$979.8	+ 7.1%

U.S. sales accounted for 48.7 per cent of the total in 1966, increasing at a faster rate than foreign sales. Sales by major geographical areas were as follows:

	1966	1965	CHANGE
	(Amounts in Millions)		
United States	\$ 510.7	\$470.3	+ 8.6%
Europe	248.4	237.1	+ 4.8
Latin America	124.4	110.6	+12.5
Far East	82.9	87.5	- 5.3
Africa and the Near East	50.1	46.1	+ 8.7
Canada	32.7	28.2	+16.0
TOTAL	\$1,049.2	\$979.8	+ 7.1%





Products for the Home

	Amount (Millions)	Per Cent of Total
SALES	\$672.5	64%
EARNINGS	29.4	62



(ABOVE) Popular singer, Tony Bennett, autographs his record albums in a Singer Center. The U.S. Consumer Products Division sponsored a Tony Bennett television special during 1966. Television is one of the principal advertising mediums used by Singer to promote its variety of products for the home in the United States.

In addition to household sewing machines and related products, principal consumer products include home entertainment equipment, refrigerators, washing machines, portable electric hand tools, floor-care equipment, knitting machines, kitchen ranges, typewriters and wood products.

Sales of products for the home by major categories were as follows:

	1966	1965	CHANGE
	(Amounts in Millions)		
Sewing machines	\$471.7	\$454.9	+ 3.7%
Major appliances	72.9	58.5	+24.6
Home entertainment equipment	67.3	64.6	+ 4.2
Other	60.6	64.8	- 6.5
TOTAL	<u>\$672.5</u>	<u>\$642.8</u>	<u>+ 4.6%</u>

Sales of products for the home by major geographical areas were as follows:

	1966	1965	CHANGE
	(Amounts in Millions)		
United States	\$244.4	\$234.4	+ 4.3%
Europe	182.9	176.1	+ 3.9
Latin America	111.2	94.7	+17.4
Far East	69.4	75.2	- 7.7
Africa and the Near East	44.5	41.3	+ 7.7
Canada	20.1	21.1	- 4.7
TOTAL	<u>\$672.5</u>	<u>\$642.8</u>	<u>+ 4.6%</u>

UNITED STATES

Our consumer products business in the United States continued to grow in 1966 reaching new highs for the third consecutive year. Sales increased by approximately four per cent and net income by a considerably greater percentage. This improvement resulted principally from the introduction of new products, more effective marketing programs with special emphasis on advertising, sales promotion and retail merchandising, and continued cost reduction.

Especially significant was the continued growth of our household sewing machine business, with unit sales of new machines exceeding 700,000 for the first time in history. Thus, during the past two years, we have increased sewing machine unit sales in the United States by more than 25 per cent despite aggressive and intensive competition.

Much of this success can be attributed to the introduction during 1966 of new sewing machine models in

every price category. Leading the way was the increasingly popular line of Singer's exclusive "Touch & Sew" machines which was expanded to five models during the year. Household sewing machines are now available in every price category from \$59.50 to \$349.50. "Touch & Sew" machines are produced at Elizabeth, New Jersey, where production was at a high level during the year. A new three-year labor contract was negotiated in November without interruption of production.

During 1966, our efforts to promote interest in home sewing were accelerated. Singer's Fourteenth Annual World Stylemaker Contest, a major sewing promotion for teenagers, attracted more than 60,000 entrants. In addition, introduction of an exclusive Singer World Designer Collection of haute couture patterns, other special promotional events and sewing courses emphasized the creative, economic and high fashion aspects of home sewing.

Fabrics are now sold in about half our retail outlets and accounted for approximately \$13 million in sales during 1966, a 34 per cent increase. Along with fabrics, our sales volume has grown in such other sewing accessories as dress forms, patterns and notions.

During the year, volume in wood products expanded. Fine cabinetwork for sewing machines has always been important to us, and during 1966 a completely new line was designed and produced in our Trumann, Arkansas, facility. In addition to sewing machine cabinets, Trumann now sells approximately one third of its output to outside customers, principally in the form of occasional furniture and cabinets for television sets and stereo systems.

The growth of our home entertainment business continued. We are now represented in all major segments of the industry, including television sets, both color and black and white; phonographs, and stereo systems; and phonograph records. Singer is, we believe, the largest U.S. distributor of battery-operated portable phonographs. We have an important position outside the Company's own retail network in KLH high-fidelity equipment, which is sold through 584 independent dealers. KLH sales have tripled since its acquisition by Singer in 1964.

Sales of floor-care equipment in Singer retail outlets lagged somewhat. However, this volume, coupled with contracts to produce private brand vacuum cleaners for others at our factory in Anderson, South Carolina, makes this a profitable business for us. The Anderson factory is also a leading producer of plastic products and electric motors.

U.S. sales of consumer products are made primarily through the Company's network of retail outlets. At year end, 1,911 such outlets were in operation, a net increase of

14 during 1966. These included: 1,453 Company-operated Singer Centers; 38 leased departments; and 420 Singer approved independent dealers. In a continuing program to upgrade the quality, appearance, location and profitability of this retail network, 179 new outlets were opened and 165 were closed.

Expanded production at Pickens, South Carolina, of portable electric hand tools for Sears, Roebuck and Company makes us the second largest producer of this type of equipment in the United States. We are now making 55 different tools for home workshop, lawn and garden and commercial applications.

As previously reported, certain damage suits arose from the anti-trust suit filed against the Company in 1959. Three of these suits have been disposed of on terms satisfactory to the Company and three are still pending. The latter, we are confident, will be disallowed, settled or otherwise disposed of on a basis that will not have a significantly adverse effect upon the financial position of the Company.

EUROPE

Widespread governmental restrictions on credit, reflecting mounting concern over inflationary trends, inhibited the sales growth of Singer consumer products in much of Europe during 1966. As a consequence, the increase in consumer sales in this territory was less than in recent years and profits, squeezed by controlled prices and rising selling and manufacturing costs, failed to reach the level of the previous year. The heavy start-up expense of Domo-watt, our recently expanded major appliance manufacturing facility near Turin, Italy, and increased borrowing costs also had an adverse effect on consumer earnings in Europe. Increased earnings from the industrial and business equipment segments of our European operations more than offset the decline in consumer earnings so that our results for the territory as a whole showed improvement.

In Great Britain the unsettled state of the national economy and the austerity program established at midyear affected our marketing operations. Partially offsetting these influences was improved performance by the factory in Clydebank, Scotland, where labor and production difficulties experienced during 1965 were largely overcome. With strengthened management and improved employee relations, that important facility is again operating well.

Sales in Germany showed modest improvement, with household sewing machines accounting for the major part of the increase. A majority interest in Friedrich Schwab and Company, a leading German catalog sales firm, was purchased in April for approximately \$14 million. This

(TOP) Singer Shop in Lebanon. Sales of non-sewing home products such as refrigerators, washing machines and home entertainment equipment account for nearly a third of total consumer volume in Africa and the Near East.

(BOTTOM) In 1966, the Company acquired a majority interest in Friedrich Schwab and Company of Germany, one of the larger mail order houses in Europe. Its warehousing and shipping are controlled by a modern data processing system.



acquisition has enhanced our marketing position in Germany and provided a base for the development of catalog sales throughout Europe.

The French economy gave evidence of a cautious recovery in 1966 and in this more favorable business climate our sales of refrigerators and washing machines were at record levels. A 420-page French mail order catalog has been prepared with the assistance of Schwab and is now being tested in two areas of France.

In Italy business conditions showed continued improvement. Our sales were substantially higher than in the previous year. Production of household sewing machines at Monza factory was the highest in history. With successful completion of the expansion program at the Domowatt facility, refrigerator sales also increased significantly both through our own retail stores and independent dealers. The introduction of a new automatic washing machine line from that factory at midyear contributed further to increased volume. Domowatt is now the principal source of refrigerators and laundry equipment for our entire retail network in Europe.

Operations in Scandinavia were at an unsatisfactory level for most of the year, but organizational changes in the latter half give promise of better results in 1967. Our business in the remaining European countries was generally satisfactory, with Portugal and Greece showing the greatest improvement.

Although economic conditions in much of Europe remain unsettled, 1967 should be a better year for us.

LATIN AMERICA

During 1966 our business again increased significantly in Latin America. Sales rose 17 per cent and earnings improved at an even greater rate. The somewhat more stable political and economic climate which emerged in the latter months of 1965 continued throughout 1966 in a number of countries, and we also benefited from strengthened field management.

Sales of household sewing products increased appreciably in absolute terms but continued to decline as a proportion of total volume, as sales of other products, particularly refrigerators, kitchen ranges, television sets and knitting machines, rose at a somewhat faster pace.

While the government in Brazil had only limited success in its efforts to achieve economic stability, our marketing organization effectively capitalized on the introduction of a new model sewing machine to increase sales greatly and achieve a substantial level of earnings. In Venezuela, too, sales rose significantly and income improved over the high level of the previous year. Results in Peru continued

strong and our business in the West Indies made new gains.

Our business in Mexico experienced a decline in sales and profit, but we look for better results in that prospering country in 1967, as we do in Argentina, where a new government took power with the declared intention of curing that country's recurring economic and fiscal difficulties. Colombia also has a new administration which is seeking solutions to the problems inhibiting that nation's economic progress.

FAR EAST

Results in the Far East in 1966 were disappointing, with sales of products for the home declining more than seven per cent and profits by a substantially greater margin. Competition was keener, particularly in products unrelated to sewing.

The improved results achieved in Thailand, Ceylon, and Hong Kong were more than offset by a decline in sales and earnings elsewhere in the territory. In the Philippines an 11-week strike at our factory adversely affected operations; declining rubber prices depressed the economies of Singapore and Malaysia; and devaluation of the rupee caused difficulties in India.

Sales and earnings declined in Japan where the household sewing machine market contracted despite an improvement in general economic conditions.

We are encouraged by political events which took place during 1966 in Indonesia, a large market which has been closed to us since nationalization of our holdings there in 1965. We have taken steps which may lead to resumption of operations there in the near future.

In spite of widespread hostilities in South Viet Nam we were able to maintain operations through a licensee in that strife-torn nation.

Manufacturing programs in the Far East have as their objective the gradual increase of local manufacture, and to this end our sewing machine production facilities in Pakistan, Taiwan and the Philippines were expanded. The Japanese factories are being modernized and enlarged.

On the basis of results to date in 1967, we are moderately optimistic about the outlook for our business in the Far East.

AFRICA AND THE NEAR EAST

During 1966 many of the countries in Africa and the Near East were beset with economic and political difficulties. Despite this, sales increased more than seven per cent in this area. However, earnings declined slightly.

As in previous years, there were some countries, such as South Africa, Turkey, Ethiopia and Libya, where a relatively high degree of economic and political stability en-

(TOP) Singer shop in Japan. A sewing machine is a traditional gift for Japanese brides.
 (BOTTOM) A foundry was added to the Company's plant in Brazil in 1966 to make it a fully integrated factory. As in most of Latin America, Singer sales in Brazil last year increased significantly.

abled our business to grow according to plan. On the other hand, there were even more areas where the reverse was true. These included Lebanon, Sudan, East Africa, Nigeria, Republic of Congo and Morocco.

Unit sales of sewing machines were at about the same level as in the prior year. Sales of other products for the home such as refrigerators and home entertainment equipment again increased, accounting for nearly a third of total consumer volume.

Small sewing machine assembly plants in Kenya and Morocco reached planned production during the year. With the completion of a new foundry, the large Turkish sewing machine factory in Maltepe reached the point where its products are now almost totally indigenous. If the stable prices and the spectacular rise in per capita income which occurred in 1966 continue, the outlook for our business in Turkey is excellent.

CANADA

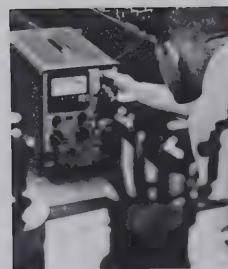
Sales of sewing machines and other consumer products such as home entertainment and floor-care equipment, typewriters and small household appliances declined. Tighter margins and the cost of strengthening our distribution network further restricted earnings.

Eight new retail outlets were opened during the year, five of them in major shopping centers, and extensive renovations were completed at eight additional locations. We now operate 159 Singer Centers in Canada. Thirty sell fabrics in addition to other Singer merchandise, and results to date have been most encouraging.

Half of our existing sewing machine line was replaced during the year by improved models, and we are planning to continue this program in 1967. In addition, a complete line of Singer brand home entertainment products was introduced nationally.

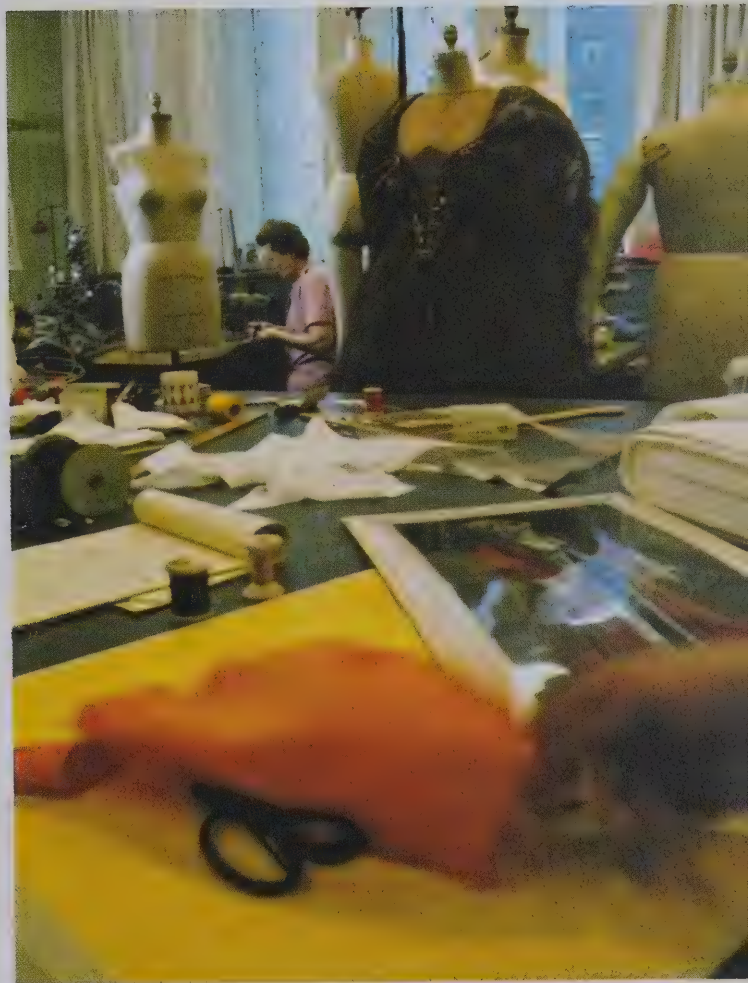
Accounting and credit operations previously situated in Oakville, Ontario, were relocated in St. Johns, Quebec, where they have been consolidated with existing administrative, manufacturing and warehouse facilities. Savings resulting from this move are expected to be reflected in financial results during the current year.





Products for Industry

	Amount (Millions)	Per Cent of Total
SALES	\$217.4	21%
EARNINGS	8.3	18



(ABOVE) In the fall of 1966, New York's Metropolitan Opera moved into its new home at the Lincoln Center for the Performing Arts. Its costume designing and production facilities were equipped with Singer industrial sewing equipment.

Major industrial products and services are industrial sewing machines and allied equipment, heating and air conditioning, tufting, knitting and other textile machinery, instrumentation, information systems, industrial controls and special purpose electric motors.

Sales of industrial products by major product categories were as follows:

	1966	1965	CHANGE
	(Amounts in Millions)		
Industrial sewing equipment ..	\$88.8	\$79.9	+ 11.1%
Heating and air conditioning ..	31.7	24.6	+ 28.9
Textile machinery	29.4	33.9	- 13.3
Instrumentation	25.8	23.4	+ 10.3
Information systems.....	23.2	19.1	+ 21.5
Other	18.5	17.8	+ 3.9
TOTAL	\$217.4	\$198.7	+ 9.4%

Sales of products and services for industry by major geographical areas were as follows:

	1966	1965	CHANGE
	(Amounts in Millions)		
United States	\$155.7	\$139.4	+ 11.7%
Europe	34.6	32.2	+ 7.5
Other	27.1	27.1	—
TOTAL	\$217.4	\$198.7	+ 9.4%

INDUSTRIAL SEWING EQUIPMENT

Worldwide sales of equipment to the needle trades were \$88.8 million in 1966, an increase of 11 per cent over the prior year. Sales in the United States and Canada combined were up sharply, with smaller gains registered elsewhere in the world.

Twenty-four new varieties of industrial sewing machines were introduced during the year, including eleven chainstitch models for the knitwear segment of the apparel industry. In addition we successfully developed and marketed an automatic unit which takes a roll of fabric and, in a continuous operation, cuts, hems, counts and stacks towels or diapers without human assistance. Also under development are additional varieties of high-speed chainstitch and tacking machines and needle positioners and thread trimming devices.

During the year an extensive line of pressing equipment was successfully introduced, complementing our existing line of garment finishing equipment. However,

we did not achieve anticipated volume in permanent press curing ovens.

Most of the problems associated with the transfer of industrial sewing machine production from the factory in Bridgeport, Connecticut, to other plants in the United States, Scotland and Germany have been solved.

HEATING AND AIR CONDITIONING

In 1966 sales of electric space heating equipment, air conditioning systems, freeze protection devices and specialty wire products were about \$32 million, a 29 per cent increase over the previous year.

Incremental air conditioning systems, sold under the Remington label, obtained a larger share of the multi-room equipment market, with particular acceptance in motels and high-rise buildings.

Sales of Electromode brand electric heating equipment rose sharply with major promotional support from the principal electric utility companies. The addition to the Electromode line during the year of hydronic heating equipment utilizing electric boilers should enable us to capture a greater share of the home modernization market.

Satisfactory volume was achieved in freeze protection devices, heating tapes, and wiring harnesses for the refrigeration, heating and air conditioning industries sold under the Easy-Heat, Wirekraft and Sno-Melter trademarks, and prospects for further growth in sales and profitability of these products are excellent.

The broadening of our activity in the heating and air conditioning field has been given special attention and such new concepts of environmental control as energy conservation are under active development.

TEXTILE MACHINERY

Sales of knitting and tufting equipment to the textile, home furnishings and apparel industries were firm, with the exception of sales of hosiery knitting machines under the Fidelity trademark which suffered a sharp drop. As a result substantial layoffs of personnel in High Point, North Carolina, became necessary and, in the interest of greater efficiency, the Fidelity Division was consolidated with the Supreme Machinery Division into a new entity known as the Knitting Machinery Division.

Supreme, which produces and sells large diameter circular knitting machines, enjoyed a highly successful year with a 48 per cent gain in sales and a good backlog of orders was carried forward into 1967.

Sales of tufting and textile finishing equipment under the Cobble trademark continued to grow in the face of increased competition. Orders on the factory at Chattanooga, Tennessee, were at a high level. The factory in

(TOP) University Plaza of New York City, a three-tower faculty residence apartment development for New York University, is generally considered one of the country's outstanding new buildings. Its Remington incremental system assures residents of year-round individual comfort.

(BOTTOM) Over 90 per cent of rugs and carpets made in the U.S. are tufted. These Singer tufting machines are in use at the huge mill of U.S. carpetmaker C. H. Masland & Sons.

Blackburn, England, which supplies the European market, had a particularly successful year with a sharp increase in earnings on a 20 per cent gain in sales.

Sales of Alemannia flat-bed knitting machinery produced in Creussen, Germany, were somewhat lower.

In the final quarter our product line was broadened by the addition of flocking equipment. In the flocking process, cut fibers are electrostatically deposited in a vertical position on an adhesive coated base, producing an interesting three dimensional textured effect of various depths and densities. Volume in flocking equipment is presently limited but an accelerated research program is under way at Cologne and Wurselen, Germany, to develop new techniques, equipment and end uses.

TECHNICAL PRODUCTS

Technical products of the Company include instrumentation, industrial controls, specialty electric motors, information systems and research and development services. Total sales of these products and services in 1966 were \$49 million, a 15 per cent improvement.

Sales of special purpose electric motors, industrial driving equipment, control components and other electrical and electronic equipment produced by the Diehl Division increased substantially with a greater rise in profits.

The year was one of progress for the Metrics Division which manufactures electrical and electronic measuring instruments and related devices. Its sales increased moderately and operations improved, reaching a profitable condition by year end, a real turning point for the Division. At midyear, EMC Instrumentation, Inc., of North Hollywood, California, was acquired. Its products complement and strengthen our instrumentation line.

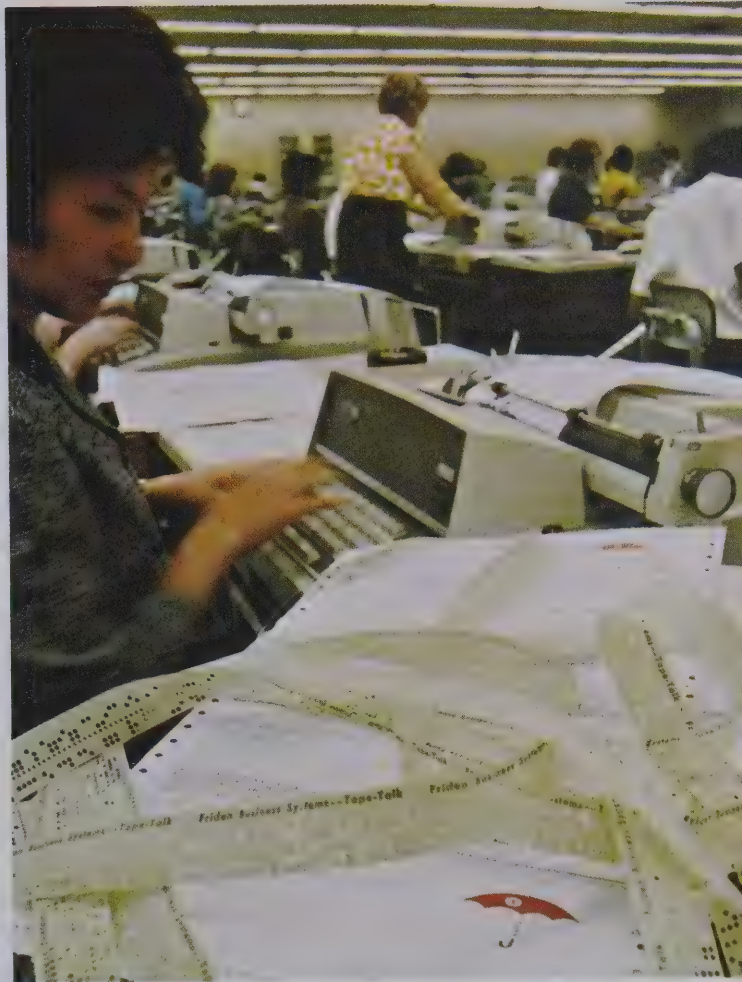
HRB-Singer, Inc., which is engaged essentially in providing information systems, research and development services and equipment to agencies of the U.S. Government, achieved a 21 per cent increase in sales in 1966 with a somewhat greater increase in profitability. Increased requirements for infrared and other equipment developed by HRB have led to the establishment of a manufacturing facility in Mount Laurel, New Jersey, which will be in operation early in 1967.





Products for Business

	Amount (Millions)	Per Cent of Total
SALES	\$159.3	15%
EARNINGS	9.6	20



(ABOVE) Friden automatic writing machines have an important role in the largest data communications system in the insurance industry. The system is designed to link 97 field offices of the Travelers Insurance Companies with computers and a central record file in their Data Center in Hartford.

Systems equipment, calculators, graphic arts equipment, adding machines, postage meters and mailing equipment are our principal products for business. Virtually all business equipment produced and sold by the Company bears the Friden trademark.

Sales of products and services for business by major categories were as follows:

	1966	1965	CHANGE
	(Amounts in Millions)		
Systems equipment	\$ 60.8	\$ 57.1	+ 6.5%
Calculators and adding machines	47.0	40.8	+15.2
Repairs and services	31.6	27.9	+13.3
Other	19.9	12.5	+59.2
TOTAL	\$159.3	\$138.3	+15.2%

Sales of products for business by major geographical areas were as follows:

	1966	1965	CHANGE
	(Amounts in Millions)		
United States	\$110.6	\$ 96.5	+14.6%
Europe	30.9	28.8	+ 7.3
Other	17.8	13.0	+36.9
TOTAL	\$159.3	\$138.3	+15.2%

UNITED STATES

Highlighting domestic operations in the business equipment field was the introduction of important new products during the year.

- Five Flexowriter automatic writing machines capable of performing a wide variety of repetitive writing tasks. Each of the five new units is capable of automatic typing up to 145 words a minute and is suitable for data processing applications, speeding the handling of sales and purchase orders, personnel records, insurance policies, legal documents and other essential forms of business and governmental communications. (Model 2300 series)
- Adding machine/tape punches for producing accounting and statistical data. (Models AP-5 and AP-6)
- Four electromechanical calculators designated as Models RSR (Rotary Square Root), RSQ (Rotary Squaring), RSC (Rotary Short Cut), and RBT (Rotary Back Transfer)
- An efficient electromechanical printing calculator featuring "live" control keys to eliminate presetting, printed answers with symbols for each machine function, short-cut multiplication, automatic divisor align-

ment and a memory unit that automatically stores multipliers and quotients. (Model 1217)

- Photoelectric Keyboard, an electronic unit with application in such products as cathode ray tube terminals for remote inquiry and special input/output stations.

Early in 1967 two additional new products were introduced with appropriate advertising support.

- A low-cost, desk-top mailing machine and postage meter which is ideal for small volume mailers. (Models 9020 and 9023)
- A small scale desk-size data processing unit with many of the capabilities of larger, higher priced units. (Model 5610) This is the only data processor in its price range to utilize micro-integrated circuits and is geared primarily but not limited to business applications such as billing, payroll, government reports, commission distribution, accounts payable and receivable, sales and profit analysis, and other important data processing tasks. It should also open new markets such as the educational field since it is an excellent, inexpensive classroom tool for teaching most of the workings of a large computer.

Particular emphasis has been given to the expansion of our product development capabilities and the acquisition of skills in new technological areas. This will result in the introduction during 1967 of additional new commercial products which offer our customers a wider variety of practical applications at lower cost. The introduction of such products and the expansion and improvement of current products will involve the purchase and use of more than a million integrated circuits this year. Computer simulation of improved business-data systems as well as basic work on advanced electronic components useful to the business machine and related fields are also important parts of the research and product development programs. Substantial progress was made in this area during 1966 which will further strengthen our competitive position.

At year end 128 branch offices and 14 agencies were engaged in the sale and service of Friden equipment in the United States. We continue, where economically feasible, to convert existing agencies, which are a form of dealer outlet, into branch offices where we are able to exercise better control of operations.

FOREIGN

Sales of business equipment outside the United States account for nearly a third of gross business equipment sales and continue to increase at a slightly faster rate than in the domestic market. This demonstrates the viability of our

(TOP) Production gets under way on the first units of the 5610 Computer Data Processor, a new small scale data processor with many of the capabilities of higher-priced units.

(BOTTOM) At a Friden research laboratory, an engineer using a vacuum chamber applies metals and insulators to form components of electrical circuits under development.

plans for the expansion of our foreign business equipment sales and brings us somewhat closer to the achievement of our long-range objective of having at least half of our business equipment volume outside the United States.

Friden products are sold through subsidiaries in the United Kingdom, France, Germany, Italy, the Netherlands, Switzerland, Belgium, Austria, Norway, Canada, Venezuela and Puerto Rico. Dealers distribute Friden products in 36 smaller countries. Existing Singer sales organizations handle such products in the less developed countries of Asia, Africa, the Near East and Latin America. Australia and New Zealand have been added to the growing list of territories in which Friden products are sold through Singer.

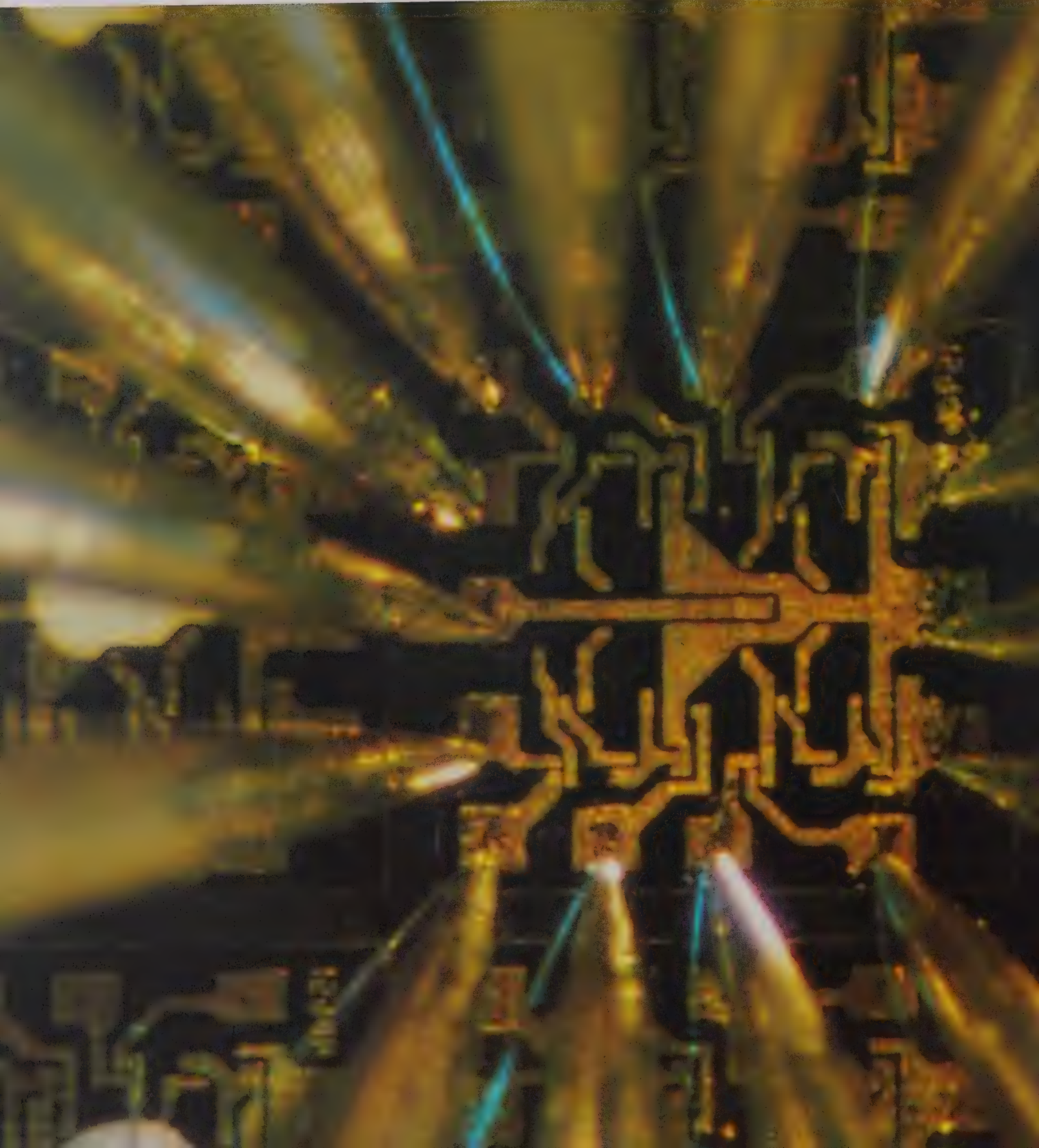
Production capacity at the manufacturing facility in Mechelen, Belgium, was doubled during 1966 following completion of a major expansion of adding machine and calculator capacity at that plant.

ORGANIZATION

Early in 1967 the organizational structure of Friden was changed to provide greater unity in the direction of the Division's affairs. Two Executive Vice Presidents were named. One is in charge of worldwide marketing including product planning and product management, sales, and sales support. The other is in charge of operations which includes all manufacturing, research, and engineering activities throughout the world.

Broadening of the product line, expansion of research and development activities, continued emphasis on cost improvement, and a vigorous marketing program should result in continued growth of business equipment sales and earnings in 1967.





Research and Development

	1966	1965	1964	1963	1962
COMPANY EXPENDITURES	\$18.7	\$17.5	\$15.5	\$12.4	\$11.9
FUNDED BY GOVERNMENT	8.1	7.2	6.9	8.1	7.2
TOTAL	\$26.8	\$24.7	\$22.4	\$20.5	\$19.1

(Amounts in Millions)

The Company's research and development efforts are directed to the creation of new concepts in our various fields of interest and the investigation of the technologies and techniques by which they may be translated into profitable commercial products and services.

During 1966 our total expenditure for research and development was \$18.7 million, a seven per cent increase over the previous year. It does not include \$8.1 million funded by the government, nor the cost of market research, long-range planning, patent administration and other activities sometimes classified as research.

At year end 14 research and development laboratories were in operation plus 28 product engineering facilities. This scientific manpower pool comprises a broad spectrum of skills and experience. Through systematic exchange of information and personnel, we are able to attack a wide variety of technological problems in depth.

Sewing machine research accounted for approximately 40 per cent of our total research and development expenditure. However, our major new research investment in 1966 was in connection with our activity in the business equipment field. A new laboratory was established in temporary premises in Oakland, California, to provide advanced technical support in microelectronics and computer simulation both to Friden and the rest of the Company.

The Textile Machinery Laboratory at Chattanooga, Tennessee, has been greatly expanded and has contributed several new innovations to the Company's product line.

As the Company continues to grow, we intend to expand further our total research and development capabilities so as to maintain and improve our competitive position in our existing businesses and create a technological competence and intellectual climate which will facilitate our moving successfully into new fields of interest.

(AT LEFT) This is a microscopic view of a micro-circuit wafer probe being used to test an integrated circuit. An example of the miracle of miniaturization in electronics, it typifies the advanced techniques which are constantly under development for use in the Company's varied products.



Personnel and Organization

	1966	1965	1964	1963	1962
WAGES, SALARIES AND EMPLOYEE BENEFITS	\$419.4	\$392.7	\$357.3	\$326.3	\$319.6
NUMBER OF EMPLOYEES	107,708	100,829	98,715	96,368	89,626

(Amounts in Millions)



Worldwide employment rose during the year to 107,708 employees. In this expansion, heightened emphasis was placed upon bringing to the Company an increasing number of individuals of outstanding potential. The Company's college recruitment efforts in particular have been expanded and strengthened to this end.

EMPLOYEE RELATIONS

Labor relations in the United States were satisfactory, and a number of labor agreements were amicably negotiated, notable among them a new three-year contract at the Company's sewing machine factory at Elizabeth, New Jersey. Significant improvement in labor-management relations was achieved at the Company's Clydebank, Scotland, plant.

The Company's U.S. Pension Plan was amended, effective January 1966, in light of U.S. Social Security changes, and improvements were made in minimum pensions and in the benefits of those employees who retire early. Improvements were also made in hospital-surgical and major medical plans, responsive to increases occurring in the cost of health care since the last adjustment in benefits in 1961.

Employee participation in the stock purchase plan continued at a high level with 6,674 employees participating out of 26,567 eligible.

EXECUTIVE CHANGES

In addition to the executive appointments and retirements reported in the President's Letter, the following were appointed Vice Presidents of the Company during 1966 and in early 1967: William J. Brown, Jr., Manager of Employee Relations and Management Development; Edmond W. Cattani, General Tax Counsel; John G. Grubb, Director of Manufacturing Services; Huntington W. Harrison, General Manager, Africa and Near East Division; William A. Prior, Corporate Diversification, and Andrew J. Reinhart, Controller.

The following Vice Presidents were reassigned: Edwin J. Graf to General Manager, Special Products Division; Henry W. Manville to General Manager, Latin American Division, and Donald D. Marsden to General Manager, Far East Division.

(AT LEFT) Singer conducts courses in elementary electronics to prepare employees for the new technologies and to fulfill expanding personnel requirements.

Financial Review

NET INCOME AND DIVIDENDS

Net income was \$4.44 per share in 1966 compared with \$4.03 in 1965, based on average shares outstanding in each year. This was an increase of 10.2 per cent. Net income in 1966 totaled \$47.3 million which was 6.3 per cent higher than 1965's net income of \$44.5 million.

Cash dividends paid in 1966 and 1965 were \$2.20 per share.

NET SALES

Sales in 1966 totaled a record \$1,049.2 million, and were \$69.4 million or 7.1 per cent higher than 1965 net sales.

Sales of our traditional products, household and industrial sewing machines and related items, amounted to \$560.5 million in 1966 and were 53.5 per cent of the total. In 1965, sales of such products were \$534.8 million or 54.6 per cent of the total.

Sales of other products, which comprised 46.5 per cent of the total, were \$488.7 million. This was an increase of 9.8 per cent over 1965 sales of \$445.0 million.

In 1966, foreign sales were 51.3 per cent of the total, compared with 52.0 per cent in 1965. Sales in the United States increased 8.6 per cent while foreign sales increased 5.7 per cent.

Sales by major geographical area are shown in the following table:

	1966		1965	
	(Amounts in Millions)			
	Amount	% of Total	Amount	% of Total
United States.....	\$ 510.7	48.7%	\$470.3	48.0%
Europe.....	248.4	23.7	237.1	24.2
Latin America.....	124.4	11.8	110.6	11.3
Far East.....	82.9	7.9	87.5	8.9
Africa and the Near East	50.1	4.8	46.1	4.7
Canada.....	32.7	3.1	28.2	2.9
	<u>\$1,049.2</u>	<u>100.0%</u>	<u>\$979.8</u>	<u>100.0%</u>

OTHER REVENUE

Revenue from sources other than sales totaled \$10.3 million in 1966 as compared with \$8.5 million in 1965. This revenue consisted of interest, dividends, rents, royalties and other income, as shown in the statements of income.

SALARIES, WAGES AND EMPLOYEE BENEFITS

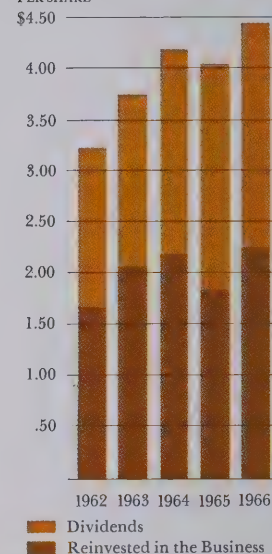
During 1966, the Company and its subsidiaries paid \$419.4 million to employees directly as salaries and wages or indirectly through Company or government benefit programs. This amount includes the cost of pensions, social security taxes, workmen's compensation insurance, group life insurance, unemployment insurance, health insurance and other benefits.

The Company and its subsidiaries have several pension plans covering substantially all of their employees in the United States who meet age and service requirements. Separate plans cover employees in certain foreign countries. Total pension expense, which is funded currently, amounted to \$4.0 million for 1966 and \$3.5 million for 1965. These amounts include current requirements and amortization of prior service costs over periods not exceeding 20 years.

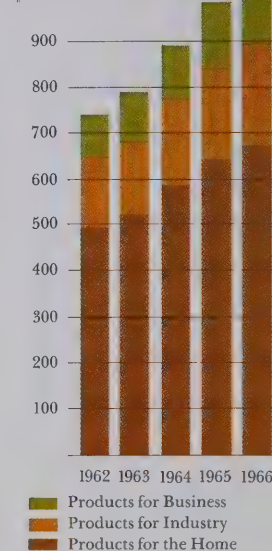
TAXES

The amount of income and general taxes charged to income in 1966 (excluding social benefit taxes) totaled \$66.0 million.

NET INCOME PER SHARE
PER SHARE



NET SALES
MILLIONS



WORKING CAPITAL

Working capital increased in 1966 by \$27.4 million compared with a decrease of \$2.4 million in 1965, as shown in the following table:

Funds were derived from:

	1966	1965
	(Amounts in Millions)	
Net income before deducting depreciation and amortization which do not require a current outlay of funds.....	\$ 74.7	\$ 70.2
Proceeds from long-term debt.....	72.7	—
	<u>147.4</u>	<u>70.2</u>

Funds were used for:

Net additions to property, plant and equipment.....	38.7	35.2
Increase in investments in and advances to affiliates.....	29.9	5.4
Net purchases of treasury shares.....	25.1	10.3
Dividends to shareholders.....	23.4	24.3
Net change in other non-current assets and non-current liabilities.....	2.9	(2.6)
	<u>120.0</u>	<u>72.6</u>

Net increase (decrease) in working capital for year.....

Working capital at beginning of year.....

Working capital at end of year.....

	1966	1965
	(Amounts in Millions)	
	<u>\$381.7</u>	<u>\$354.3</u>

Current assets increased \$46.2 million reflecting a higher level of inventories necessary to support the increased sales volume, while current liabilities increased \$18.8 million.

Inventories are summarized in the following table. Amounts stated are at the lower of cost, exclusive of certain indirect manufacturing expenses, or market.

	1966	1965
	(Amounts in Millions)	
Finished goods	\$198.0	\$174.9
Work in process	87.4	80.9
Raw materials and supplies	30.4	22.9
	<u>\$315.8</u>	<u>\$278.7</u>

Accounts receivable—net shows a slight decrease in 1966 reflecting increased financing of instalment accounts receivable through wholly-owned finance companies. The amounts shown on the balance sheet are after deduction of unearned carrying charges on instalment sales and allowances for doubtful accounts. These deductions totaled \$73.2 million in 1966 and \$66.3 million in 1965.

INVESTMENTS IN AFFILIATED COMPANIES

The financial statements include the operating results of all subsidiaries in which the Company's ownership exceeded 75 per cent with the exception of three wholly-owned finance companies.

During 1966 the company acquired EMC Instrumentation, Inc. of North Hollywood, California for 9,897 shares of capital stock. This transaction was treated as a pooling of interests. Additionally two small companies were acquired for cash.

In 1966 the Company purchased a 51 per cent interest in Friedrich Schwab and Company of Hanau, Germany. The investment in this affiliate, together with investments in three other affiliates, are included at cost. Dividends received from these affiliates are included in Other income in the financial statements.

Our investment in the three wholly-owned finance companies is included at cost plus undistributed net income. Net income of these companies, which is included in the Consolidated Statements of Income, totaled \$1.7 million in 1966 and \$0.9 million in 1965.

THE 1966 REVENUE DOLLAR



The balance sheets of the wholly-owned finance companies at December 31, 1966 and 1965 are summarized below:

	1966	1965
	(Amounts in Millions)	
Instalment accounts receivable.....	\$ 97.6	\$67.1
Cash and other assets.....	4.1	2.7
	<u>\$101.7</u>	<u>\$69.8</u>
Notes payable—unsecured.....	\$ 68.9	\$53.7
Other liabilities.....	1.3	0.5
Payables to affiliates.....	11.3	6.7
Long-term debt.....	5.0	—
Equity.....	15.2	8.9
	<u>\$101.7</u>	<u>\$69.8</u>

PROPERTY, PLANT AND EQUIPMENT

The balances at December 31, 1966 and 1965 were:

	1966	1965
	(Amounts in Millions)	
Property, plant and equipment at cost:		
Land.....	\$ 13.2	\$ 13.1
Buildings, less accumulated depreciation of \$49.3, 1966 and \$47.6, 1965.....	43.8	40.9
Machinery and equipment, less accumulated depreciation of \$157.4, 1966 and \$139.9, 1965.....	105.3	95.6
Construction in progress.....	6.8	5.8
	<u>\$169.1</u>	<u>\$155.4</u>

Gross additions in 1966 amounted to \$42.8 million. Disposals of property, plant and equipment (net of accumulated depreciation) amounted to \$4.1 million. The provision for depreciation in 1966 was \$25.0 million compared with \$22.4 million in 1965.

OTHER ASSETS

Other assets at December 31, 1966 and 1965 were as follows:

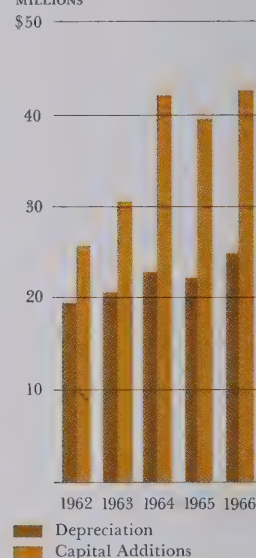
	1966	1965
	(Amounts in Millions)	
Prepaid expenses and deferred charges.....	\$ 19.1	\$ 15.5
Mortgages and other.....	14.0	12.6
Intangibles, less amortization.....	9.6	10.2
Deposits.....	5.7	7.6
	<u>\$ 48.4</u>	<u>\$ 45.9</u>

FOREIGN NET ASSETS

Net assets located outside the United States are expressed in U.S. dollars at appropriate exchange rates. Foreign net assets at December 31, 1966 and 1965 by major geographical area were:

	1966	1965
	(Amounts in Millions)	
Europe.....	\$134.3	\$124.4
Latin America.....	82.7	66.9
Far East.....	44.0	49.2
Africa and the Near East.....	29.8	24.9
Canada.....	17.7	16.8
	<u>\$308.5</u>	<u>\$282.2</u>

PROPERTY PLANT AND EQUIPMENT MILLIONS



LONG-TERM DEBT

Long-term debt, less amounts due within one year, consisted principally of unsecured promissory notes requiring payments each year to maturity. The amounts due within one year, \$3.8 million at December 31, 1966 and \$5.5 million at December 31, 1965, are included in current liabilities. Promissory notes were issued during 1966 in the amount of \$50 million carrying an interest rate of 5½ per cent and maturing in 1986. The proceeds were used for general corporate purposes. Additional borrowings of \$22.7 million were incurred abroad to finance the growth of assets in foreign countries.

INTEREST RATES	MATURITIES	1966	1965
		(Amounts in Millions)	
6½%–7½%	1969.....	\$ 24.0	\$ —
5%	1973.....	2.0	2.4
3¼%–3¾%	1977.....	23.1	24.3
5¾%	1986.....	50.0	—
Others		21.8	21.5
		<u>\$120.9</u>	<u>\$48.2</u>

CAPITAL STOCK OPTIONS

The Company has both a stock option plan and a stock purchase plan. Under the stock option plan, options to purchase capital stock of the Company may be granted to executive employees at prices not less than market value on the dates of grant. Generally, these options expire in five years. Under the stock purchase plan, other employees are granted options to purchase capital stock of the Company by payroll deduction at a price of 85 per cent of either the market value at date of grant or the market value at date of exercise, whichever is lower.

The changes for the year in options outstanding under both plans follows:

	SHARES	OPTION PRICES
Options outstanding at January 1, 1966.....	234,273	\$27.00–96.13
Options granted.....	169,750	34.25–63.50
	<u>404,023</u>	
Less:		
Options exercised.....	118,040	27.00–54.75
Options terminated	28,155	27.00–89.25
	<u>146,195</u>	
Options outstanding at December 31, 1966.....	<u>257,828</u>	27.00–96.13

Shares available for options under both plans at January 1, 1966 were 269,820 and at December 31, 1966 were 128,225.

COMMITMENTS

The Company conducts a large part of its marketing operations in leased premises. Leases which expire are generally renewed or replaced by leases on other similar properties. The minimum rental commitment under leases and rental agreements in effect as of December 31, 1966, aggregated \$22.0 million annually.

Consolidated Statements of Income and Retained Earnings

For the Years Ended December 31, 1966 and 1965

INCOME	1966 (Amounts in Thousands)	1965
Revenue:		
Net sales	\$1,049,227	\$ 979,757
Interest and dividends	4,529	3,049
Rents and royalties	1,604	1,667
Other income	4,152	3,759
	<u>1,059,512</u>	<u>988,232</u>
Costs and expenses:		
Costs and other operating charges	542,998	523,803
Selling and administrative expenses	418,398	375,478
Interest	19,206	14,395
Provision for Federal and foreign income taxes	31,630	30,060
	<u>1,012,232</u>	<u>943,736</u>
NET INCOME	<u>\$ 47,280</u>	<u>\$ 44,496</u>
Net income per share	\$ 4.44	\$ 4.03
RETAINED EARNINGS		
Retained earnings, beginning of year	\$ 343,419	\$ 325,655
Add net income	47,280	44,496
	<u>390,699</u>	<u>370,151</u>
Less: Dividends paid	23,367	24,313
Cost of treasury stock in excess of:		
Proceeds of sales to employees	2,557	2,419
Net assets of pooled company	624	—
	<u>26,548</u>	<u>26,732</u>
Retained earnings, end of year	<u>\$ 364,151</u>	<u>\$ 343,419</u>

See Financial Review, pages 24 to 27.

Consolidated Balance Sheets

December 31, 1966 and 1965

ASSETS	1966	1965
	(Amounts in Thousands)	
Current assets:		
Cash	\$ 27,135	\$ 25,132
Marketable securities	33,854	26,491
Accounts receivable—net	342,462	342,694
Inventories	315,847	278,744
Total current assets	719,298	673,061
Investments in and advances to affiliated companies	46,567	16,621
Property, plant and equipment—net	169,085	155,400
Other assets	48,382	45,898
	<u>\$ 983,332</u>	<u>\$ 890,980</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	\$ 97,020	\$ 86,191
Loans and overdrafts (principally foreign banks)	166,460	163,503
Federal and foreign income taxes	74,087	69,116
Total current liabilities	337,567	318,810
Long-term debt	120,937	48,199
Other non-current liabilities	19,778	17,768
Reserves for realization of foreign assets and for insurance	70,000	70,000
	548,282	454,777
Shareholders' equity:		
Capital stock—par value \$10 per share:		
Authorized 15,000,000 shares; issued 11,233,715 shares	112,337	112,337
Retained earnings	364,151	343,419
	476,488	455,756
Less: Cost of capital stock in treasury (695,824 shares in 1966; 275,225 shares in 1965)	41,438	19,553
Total shareholders' equity	435,050	436,203
	<u>\$ 983,332</u>	<u>\$ 890,980</u>

See Financial Review, pages 24 to 27.

Financial Summary

EARNINGS (Amounts in Thousands)	<u>1966</u>
Net sales	\$1,049,227
Other revenue	10,285
	<u>1,059,512</u>
Costs and expenses:	
Costs and other operating charges	542,998
Selling and administrative expenses	418,398
Interest	19,206
Income taxes	31,630
	<u>1,012,232</u>
NET INCOME	47,280
Extraordinary items, net of tax (Note)	—
Net income and extraordinary items	<u>47,280</u>
FINANCIAL POSITION (Amounts in Thousands)	
Working capital	381,731
Cash and marketable securities	60,989
Accounts receivable-net	342,462
Inventories	315,847
Property, plant and equipment-net	169,085
Long-term debt	120,937
Retained earnings	364,151
Shareholders' equity	435,050
OTHER DATA	
Per share of capital stock:	
Net income	4.44
Extraordinary items	—
Dividends paid	2.20
Shareholders' equity	40.85
Current ratio	2.1
Number of shareholders	35,998

NOTE—Extraordinary gains on sale of properties, less applicable income tax of \$1,266,000 in 1964, \$471,000 in 1962, and \$289,000 in 1960. The 1959 extraordinary item is a tax free partial recovery of losses in Russia during the Communist Revolution.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Shareholders and
Board of Directors of The Singer Company:

We have examined the consolidated balance sheet of The Singer Company and consolidated subsidiaries as of December 31, 1966 and the related statements of income and retained earnings for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

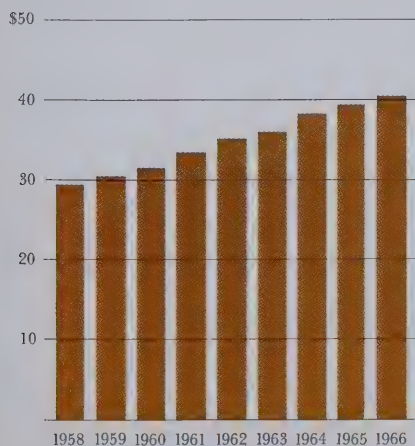
In our opinion, the accompanying financial statements present fairly the financial position of The Singer Company and consolidated subsidiaries at December 31, 1966 and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Peat, Marwick, Mitchell & Co.

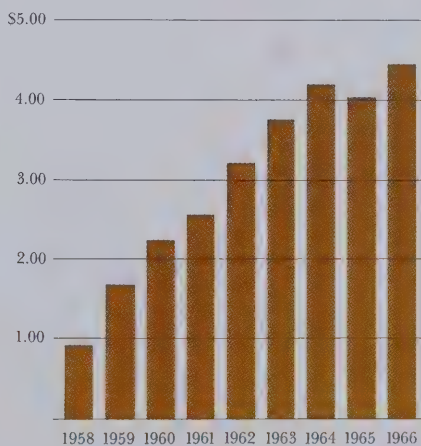
New York, New York
March 15, 1967

1965	1964	1963	1962	1961	1960	1959	1958
\$979,757	\$896,239	\$790,188	\$743,988	\$682,796	\$614,217	\$571,926	\$507,018
8,475	8,120	9,894	7,607	6,744	7,767	6,142	3,870
<u>988,232</u>	<u>904,359</u>	<u>800,082</u>	<u>751,595</u>	<u>689,540</u>	<u>621,984</u>	<u>578,068</u>	<u>510,888</u>
523,803	471,082	403,832	376,008	352,489	315,826	293,946	263,140
375,478	342,505	307,783	293,550	270,774	249,005	237,901	220,632
14,395	11,599	9,300	9,213	8,630	5,948	3,993	2,721
30,060	32,679	37,624	37,265	29,523	26,681	23,784	14,186
<u>943,736</u>	<u>857,865</u>	<u>758,539</u>	<u>716,036</u>	<u>661,416</u>	<u>597,460</u>	<u>559,624</u>	<u>500,679</u>
44,496	46,494	41,543	35,559	28,124	24,524	18,444	10,209
—	6,337	—	5,327	—	1,132	2,926	—
<u>44,496</u>	<u>52,831</u>	<u>41,543</u>	<u>40,886</u>	<u>28,124</u>	<u>25,656</u>	<u>21,370</u>	<u>10,209</u>
354,251	356,725	332,384	342,079	332,494	327,674	337,175	325,935
51,623	56,285	63,896	80,808	73,239	65,793	78,130	55,049
342,694	311,907	264,759	243,630	223,976	211,058	180,831	153,852
278,744	269,401	233,762	212,717	212,244	201,025	181,501	198,507
155,400	142,554	151,769	144,185	144,567	142,198	127,680	124,985
48,199	48,371	49,095	52,770	54,559	60,829	57,423	51,854
343,419	325,655	300,531	284,052	265,543	242,500	228,872	215,743
436,203	426,354	402,025	391,752	374,490	351,515	337,547	324,527
4.03	4.19	3.75	3.20	2.53	2.22	1.67	.93
—	.57	—	.48	—	.10	.27	—
2.20	2.00	1.70	1.55	1.30	1.30	1.10	1.10
39.50	38.42	36.29	35.26	33.64	31.77	30.63	29.56
2.1	2.3	2.4	2.8	2.9	3.2	4.3	5.0
<u>32,323</u>	<u>27,971</u>	<u>22,252</u>	<u>11,406</u>	<u>12,030</u>	<u>11,889</u>	<u>10,918</u>	<u>9,589</u>

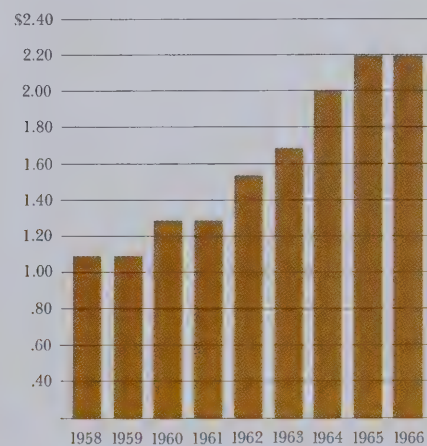
SHAREHOLDERS' EQUITY PER SHARE



NET INCOME PER SHARE



DIVIDENDS PAID PER SHARE



Manufacturing Facilities

UNITED STATES

ANDERSON, SOUTH CAROLINA
Floor care equipment and electric motors
ARCADIA, CALIFORNIA
Silico-ceramic insulation material
AUBURN, NEW YORK
Space heating and air conditioning equipment
BRIDGEPORT, CONNECTICUT
Instrumentation and control equipment
CAMBRIDGE, MASSACHUSETTS
High fidelity equipment
CHATTANOOGA, TENNESSEE
Tufting machinery
CLIFTON, NEW JERSEY
Mechanized sewing and work handling systems
DALTON, GEORGIA
Textile laminating, bonding and finishing equipment
ELIZABETH, NEW JERSEY
Household and industrial sewing machines
FINDERNE, NEW JERSEY
Industrial driving equipment and control components
HIGH POINT, NORTH CAROLINA
Industrial knitting machines
LAKEVILLE, INDIANA
Wiring harnesses, tapes and cables
LEWISTOWN, PENNSYLVANIA
Mailroom equipment
LOS ANGELES, CALIFORNIA
Electronic control equipment
LOS ANGELES, CALIFORNIA
Instrumentation
MEADVILLE, PENNSYLVANIA
Industrial heating devices
MONROE, NORTH CAROLINA
Industrial knitting machines
MOUNT LAUREL, NEW JERSEY
Information systems
NEW CARLISLE, INDIANA
Freeze protection and snow melting equipment
NORTH HOLLYWOOD, CALIFORNIA
Instrumentation
OZONE PARK, NEW YORK
Industrial knitting machines
PICKENS, SOUTH CAROLINA
Portable electric tools
REEDSVILLE, PENNSYLVANIA
Playground equipment
ROCHESTER, NEW YORK
Business systems and graphic arts equipment
ROLLING PRAIRIE, INDIANA
Electric wiring
SAN LEANDRO, CALIFORNIA
Business equipment
SCHILLER PARK, ILLINOIS
Graphic arts and production control equipment
STATE COLLEGE, PENNSYLVANIA
Information systems
TRUCKSVILLE, PENNSYLVANIA
Hydronic boilers
TRUMANN, ARKANSAS
Sewing machine cabinets and furniture

EUROPE

ALENCON, FRANCE
Sewing machine cabinets
BLACKBURN, ENGLAND
Tufting and finishing equipment
BONNIERES, FRANCE
Household sewing machines and electric motors
COLOGNE, GERMANY
Flocking equipment

CLYDEBANK, SCOTLAND

Household and industrial sewing machines
CREUSSEN, GERMANY
Industrial knitting machines
DULKEN, GERMANY
Thread
KARLSRUHE, GERMANY
Household and industrial sewing machines
LEINI, ITALY
Washing machines and refrigerators
MECHELEN, BELGIUM
Adding machines and calculators
MONZA, ITALY
Household sewing machines
NIJMEGEN, HOLLAND
Business systems equipment
WURSELEN, GERMANY
Needles

FAR EAST

CHITTAGONG, PAKISTAN
Household sewing machines
COLOMBO, CEYLON
Household sewing machines and cabinets
KARACHI, PAKISTAN
Household sewing machines
KLONG TOEY, THAILAND
Household sewing machines and television sets
MADURAI, INDIA
Needles
MATSUMOTO, JAPAN
Sewing machine cabinets
PENRITH, AUSTRALIA
Household sewing machines
PETALING JAYA, MALAYSIA
Household sewing machines
TAICHUNG, TAIWAN
Household sewing machines
TAYTAY, PHILIPPINES
Household sewing machines and cabinets
UTSUNOMIYA, JAPAN
Household and industrial sewing machines

LATIN AMERICA

BOGOTA, COLOMBIA
Household sewing machines
BUENOS AIRES, ARGENTINA
Household sewing machines
CAMPINAS, BRAZIL
Household sewing machines
LIMA, PERU
Household sewing machines
QUERETARO, MEXICO
Household sewing machines

CANADA

ST. JOHNS, QUEBEC
Household sewing machines and electric motors

AFRICA AND THE NEAR EAST

APAPA, NIGERIA
Household sewing machines and cabinets
CASABLANCA, MOROCCO
Household sewing machines and cabinets
JOHANNESBURG, SOUTH AFRICA
Household sewing machines
KINSHASA, REPUBLIC OF CONGO
Sewing machine cabinets
MALTEPE, TURKEY
Household sewing machines and cabinets
NAIROBI, KENYA
Household sewing machines and cabinets

Principal Products and Services

FOR THE HOME

Sewing machines
Electric heaters
Fabrics
Floor waxers and polishers
Furniture
High fidelity systems
Kitchen ranges
Knitting machines
Notions and patterns
Phonographs and records
Portable electric power tools
Radios
Refrigerators
Television sets
Typewriters
Vacuum cleaners
Washing machines

FOR INDUSTRY

Sewing machines and allied equipment
Air conditioning systems
Beacon transmitters
Broad band amplifiers
Circular knitting machines
Dehumidifiers
Dye becks
Electric boilers
Electric space heaters
Flat bed knitting machines
Flocking equipment
Freeze protection devices
Heating tapes
Hosiery knitting machines
Infrared systems
Latex and durable press ovens
Microwave test instruments
Pressing equipment
Plastic moldings
Radio frequency interference test equipment
Resolvers
Servomotors
Signal conditioners
Signal generators
Silico-ceramic insulation materials
Special purpose electric motors
Spectrum analyzers
Ticket printers
Tufting machines
Wire harnesses

FOR BUSINESS

Adding machines
Calculators
Data processing equipment
Document conveying systems
Graphic arts equipment
Mailing machines
Mailroom equipment
Postage meters
Tape punches

ANNUAL MEETING

The Annual Meeting of Shareholders
of the Company will be held at The Plaza Hotel,
768 Fifth Avenue, New York, New York,
on Thursday, April 27, 1967 at 10:30 a.m.

TRANSFER AGENTS

Bankers Trust Company,
New York, New York

Crocker-Citizens National Bank,
San Francisco, California

Registrar and Transfer Company,
Jersey City, New Jersey

REGISTRARS

Morgan Guaranty Trust Company of New York,
New York, New York

The Bank of California National Association,
San Francisco, California

Commercial Trust Company of New Jersey,
Jersey City, New Jersey

